



RAVI
TEXTILE MILLS
LIMITED

ANNUAL
REPORT
2020

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RAVI TEXTILE MILLS LIMITED

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Company Information

BOARD OF DIRECTORS

Muhammad Waseem-ur-Rehman (Chief Executive)

Aftab Sarwar

Tahir Majeed

Muhammad Riaz

Muhammad Shahid

Amir Khurshid Chandia

Waseem Ejaz

AUDIT COMMITTEE

Tahir Majeed (Non-Executive Director) Chairman

Aftab Sarwar (Non-Executive Director) Member

Muhammad Riaz (Non-Executive Director) Member

HR & R COMMITTEE

Muhammad Shahid (Non-Executive Director) Chairman

Tahir Majeed (Non-Executive Director) Member

Muhammad Riaz (Non-Executive Director) Member

COMPANY SECRETARY/

CHIEF FINANCIAL OFFICER

Munsaf Khan

AUDITORS

Tariq Abdul Ghani Maqbool & Co.

Chartered Accountants

71-C-3, Gulberg-III, Lahore-54660

Pakistan

BANKERS

National Bank of Pakistan Limited

Bank Alfalah Limited

Habib Metropolitan Bank Limited

The Bank of Punjab

REGISTERED OFFICE

Bungalow No. 120 Defence Officers Housing

Scheme, Sher Shah Road, Multan Cantt. Multan

Phone: 92-61-4503620-30

Fax: 92-61-4503640

SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited

H.M House 7-Bank square, Lahore.

Tel: 92-42 37235081-82

GINNING AND PRESSING UNIT

Lalaka Road, Haroona Abad

District, Bahawalnagar

Notice of Annual General Meeting

Notice is hereby given that 34th Annual General Meeting of Shareholders of Ravi Textile Mills Limited will be held on Wednesday 28th October, 2020 at 09:00 a.m. at registered office of the company Bungalow No.120 Defence Officers Housing Scheme Sher Shah Road, Multan Cantt. Multan to transact the following business:-

1. To confirm the minutes of the preceding Annual General Meeting of the shareholders of the company held on 28th October, 2019.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2020 together with Directors' and Auditors' reports thereon.
3. To appoint External Auditor for the next year ending June 30, 2021 and fix their remuneration. M/s Tariq Abdul Ghani Maqbool & Company, Chartered Accountants being eligible for appointment have offered themselves for re-appointment.
4. To transact any other matter with the permission of the chair.

By order of the Board

Multan:
05th October, 2020.

MUNSAF KHAN
Company Secretary

Notes:

1. The Members' Register will remain closed from 21st October, 2020 to 28th October 2020 (both days inclusive). Transfers received of the office of the company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited H.M. House, 7-Bank Square, Lahore by the close of business on 20th October 2020 will be entertained.
2. A Member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.
3. Under the Companies Act 2017 section 134 1(b) if members residing the vicinity, collectively holding 10% or more shareholding and prevailing current situation caused by COVID-19 pandemic disease, members can also attend and participate in the AGM through video-link facility, provide their consent in writing, to participate in the AGM through video-link at least seven day (07) days prior to date of AGM.
4. Shareholders are requested to immediately notify the change in address, if any. Members who have not submitted copy of valid CNIC are advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 275(i) 2016 dated March 31, 2016.
5. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan.
6.
 - a. For attending the meeting
 - i). In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity the board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
 - b. For Appointing Proxies
 - i). In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii). The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv). The Proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.
 - vi). The financial statements of the company for the year ended 30 June 2020 along with Auditors and Directors Report thereon have been placed on the company's website: www.ravitextile.com

VISION

To accomplish, build up and sustain a good reputation of the project in textile sector locally and globally by marketing high quality of Yarn through team work by means of honesty, integrity and commitment and to explore and create growth opportunities to maximize return to all stakeholders.

MISSION

To provide maximum satisfaction to the customers by supplying quality of Yarn for knitting and weaving for well known textile brands through effective utilization of work force, material and machines by encouraging, supporting and rewarding the employees with highest level of efficiency, productivity and profitability sharing with shareholders.

CORE VALUES

- Merit
- Integrity
- Team Work
- Safety
- Dedication
- Innovation

GOALS

Financial

- To reduce cost and time over runs to improve financial results.
- To maximize profits by investing surplus funds in profitable avenues.
- To make investment decisions by ranking projects on the basis of best economic indicators.
- Growth and superior return to the stakeholders.

Learning and Growth

- Motivate and train our force, revitalize our equipment base and attain full autonomy in financial and decision making matters.
- To enhance the technical and commercial skills through modern HR management practices.
- Continuously develop technical and managerial skills at all levels and stay abreast of latest technological developments in the industry.

Internal Processes

- To set up task forces with representation from all relevant departments to improve internal business decision making and strategic planning.
- To use most effective business practices and formulate a framework of synergic organization with change in culture.

Directors' Report to the Shareholders

The directors of your company are pleased to present the company's audited financial statements for the year ended June 30, 2020. In compliance with the Code of Corporate Governance, these financial statements have been endorsed by the Chief Executive Officer and Chief Financial Officer of the company, recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

PERFORMANCE REVIEW

The result for the year under review shows that the company has earned net profit of Rs. 30.197 million mainly due to written back of loan from ex- director of the company and profit on saving bank account. For the year ended 30 June 2020, administrative expenses amounted to Rs. 7.659 million, other expenses of Rs.2.393 and finance cost amounted to Rs. 1.035 million. Corresponding year's net profit was Rs. 101.956 million due to gain on disposal of fixed assets. The operations of the mill were resumed during the year ended 30 June 2015 after more than three years with the support of directors' loans. However, in August 2015, the operations of the mill were suspended again due to poor economic / market conditions for spinning sector, high energy costs, high mark-up rates charged by banks and scarce availability of funds.

In the light of above, the management of the company obtained the approval of the members of the Company was accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's assets located at 49 KM, Lahore-Multan Road, Chunian, District Kasur comprising of freehold land, buildings on freehold land, plant and machinery, electric fittings and installations, factory tools and equipment, furniture, fixtures and office equipment and other assets ("Assets") in Extraordinary General Meeting of the members of the Company held on 02 March 2018 at registered office of the Company. The Company signed an Assets Sale and Purchase Agreement on 26 February 2019 with M/s Waqas Rafique International. Total consideration amount for sale of the Assets except vehicles agreed between the parties to the Assets Sale and Purchase Agreement dated 26 February 2019 was Rupees 300,000,000. The Company had received the full consideration and Assets were disposed of in accordance with Assets Sale and Purchase Agreement. Proceeds from sale of the Assets were being utilized for repayment of liabilities of the Company. Financing from banks has been settled and balance amount is deposited in saving bank account of the Company. In the aforesaid meeting, the members of the company had also accorded the approval to utilize the remaining proceeds to start alternate business plan as approved and recommended by the Board of Directors of the Company which implementation was in process.

Subsequent to the reporting period, the board of directors of the Company in their meeting held on 12 August 2020 approved to obtain a cotton ginning factory and oil mills situated at Lalaka Road, Haroonanbad, District Bahawalnagar on operating lease. The lease agreement with M/s Noman Cotton Factory (the lessor) has been signed for an initial lease term of two years and extendable with mutual agreement by both parties, and annual lease rent of Rs. 1,600,000/- has been paid to the lessor. The cotton ginning factory under reference has been handed over to the Company on 13 August 2020. For the smooth running of operations, working capital has been arranged; business arrangements with vendors and customers have been completed; compliances with legal, corporate and miscellaneous matters have also been made by the company.

Directors' Report to the Shareholders

After the completion of necessary repair and maintenance, the Company started its new operations from September 2020. During the month of September 2020, the Company earned a revenue Rs.25.125 million. The Company has also entered into business arrangements with its clients due to which revenue and profitability of the Company will increase significantly. Hence, accumulated losses will reduce in near future and current ratio will further improve. This will also help the Company to improve and enhance its production facilities. During the current year, loan from directors have been reclassified to equity as per TR - 32 under new terms of loan with the directors strengthening the equity.

Keeping in view the above new arrangements and start of operations by the Company, these financial statements have been prepared under going concern basis of accounting. Previous year's financial statements were prepared on non-going concern basis of accounting on the basis of estimating realizable value/ settlement values of the assets and liabilities respectively. Further, the change of basis of accounting by the management of the company has no impact on the carrying values of assets and liabilities.

FUTURE PROSPECTS

The management of the company has assessed the impact of the COVID-19 on the financial statements and concluded that there is some implication that specifically disclosed in the note 3. Despite prevailing COVID-19 global pandemic disease situation, the management made their efforts continuously and succeeded to start the cotton ginning operations from September 2020. The alternate business plan has been started as approved and recommended by the Board. During the month of September 2020, the Company earned a revenue Rs.25.125 million.

STATUS OF DISPOSAL OF ASSETS AND STATUS OF IMPLEMENTATION OF BUSINESS PLAN

After the aforesaid approvals of the shareholders, progress to-date is as follows:

The Company signed an Assets Sale and Purchase Agreement on 26 February 2019 with M/s Waqas Rafique International. Total consideration amount for sale of the Assets except vehicles agreed between the parties to the Assets Sale and Purchase Agreement dated 26 February 2019 was Rupees 300,000,000. The Company has received full consideration and Assets have been disposed of in accordance with Assets Sale and Purchase Agreement. Proceeds from sale of the Assets are being utilized for repayment of liabilities of the Company. Financing from banks has been settled and balance amount is deposited in saving bank account of the Company. The management made their efforts continuously and succeeded to start the cotton ginning operations from September 2020. The alternate business plan has been started as approved and recommended by the Board. During the month of September 2020, the Company earned a revenue Rs.25.125 million. Please refer to the above report and detail in Note 4.

EARNINGS / (LOSS) PER SHARE

Based on net profit for the year ended 30 June 2020, earnings per share for the year ended 30 June 2020 is Rs. 1.21 as compared to earnings per share of Rs. 4.08 in the preceding year ended 30 June 2019.

Directors' Report to the Shareholders

KEY OPERATING AND FINANCIAL DATA

Last six years' data is annexed.

DIVIDENDS

Due to the fact that profit for the year is mainly written back of loan from ex- director of the company and profit on saving bank account and in view of accumulated losses, the directors are not able to recommend any dividend.

PATTERN OF SHAREHOLDING

The pattern of shareholdings is annexed under section 227(2) of the Companies Act, 2017 along with additional information.

ENVIRONMENT, HEALTH AND SAFETY

The company maintains safe working conditions avoiding the risk to the health of employees and public at large.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company strongly believes in integration of corporate social responsibility into its business that are influenced directly or indirectly by our business.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the company which have occurred between 30 June 2020 and 05 October 2020.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

Your company strives to follow best practices such as paper less environment and conserving energy.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk.

Directors' Report to the Shareholders

BOARD AND ITS MEETINGS

The total number of directors are 07 as per the following:

- a. Male: 07
- b. Female: 0

The directors expect that the board of directors shall have female director after the election of the directors of the company to be held on 15 May 2021.

The composition of board is as follows:

a) Independent Director: 01 as named hereunder:

Mr. Waseem Ejaz

b) Other Non-executive Directors: 05 as named hereunder:

- i. Mr. Aftab Sarwar, Chairman
- ii. Mr. Tahir Majeed
- iii. Mr. Muhammad Shahid
- iv. Mr. Muhammad Riaz
- v. Mr. Amir Khurshid Chandia

c) Executive Director: 01 as named hereunder:

- i. Mr. Muhammad Waseem-ur-Rehman, Chief Executive

Six (6) meetings were held from 01 July, 2019 to 30 June 2020 and attended by the directors as follows.

NAME OF THE DIRECTORS	DESIGNATION	TOTAL ATTENDANCES
Muhammad Waseem ur Rehman	Chief Executive Officer	6
Aftab Sarwar	Chairman	6
Tahir Majeed	Director	6
Muhammad Shahid	Director	6
Muhammad Riaz	Director	6
Amir Khurshid Chandia	Director	6
Waseem Ejaz	Director	6

Directors' Report to the Shareholders

Audit Committee Meetings

Five (5) meetings were held from 01 July 2019 to 30 June 2020 and attended by the members as follows.

NAME OF THE MEMBERS	DESIGNATION	TOTAL ATTENDANCES
Tahir Majeed	(Non-Executive Director/ Chairman)	5
Aftab Sarwar	(Non-Executive Director/ Member)	5
Muhammad Riaz	(Non-Executive Director/ Member)	5

Human Resource and Remuneration (HR&R) Committee Meetings

No meeting was held in view of closed operation from 01 July 2019 to 30 June 2020 and attended by the members as follows.

NAME OF THE MEMBERS	DESIGNATION	TOTAL ATTENDANCES
Muhammad Shahid	(Non-Executive Director/ Chairman)	0
Tahir Majeed	(Non-Executive Director/ Member)	0
Muhammad Riaz	(Non-Executive Director/ Member)	0

AUDITORS

The present Auditors, M/s Tariq Abdul Ghani Maqbool & Co, Chartered Accountants retire and being eligible for appointment have offered themselves for re-appointment. The Audit committee and Board of Directors have recommended their appointment for the next year ending on 30th June, 2021.

DIRECTORS' STATEMENT

Directors are pleased to report that:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departures there from, if any, has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.

Directors' Report to the Shareholders

- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. Except as mentioned in Auditor's Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019, there has been no material departure from the best practices of Corporate Governance.
- h. There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2020 except for those disclosed in the financial statements.

ANNUAL BOARD PERFORMANCE EVALUATION

The Board considers its performance assessment as a key contributor to good governance as it provides feedback from the Directors on their perceptions of how the Board is currently performing its role and responsibilities. Envisaging the same, the Board devised in-house questionnaires based on emerging and leading practices to assist performance of the board as a whole, of its committees and of its members. The Company Secretary presents the summarized report for discussion and review of the Board annually.

DIRECTORS' REMUNERATION

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance (CCG), it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors in 2019-20, please refer to notes to the Financial Statements.

ACKNOWLEDGEMENT

The directors would like to place on record their appreciation for services rendered by the employees of the company who have contributed their optimum skills and hope that the same spirit of devotion will continue in future. In addition, we thank our bankers for supporting and stakeholders for trusting us.

On behalf of the board

MUHAMMAD WASEEM UR REHMAN
CHIEF EXECUTIVE
Multan: October 05, 2020

DIRECTOR

ڈائریکٹران کی رپورٹ حصہ داران کے لئے

آپ کی کمپنی کے ڈائریکٹران آپ کو حصہ داران کے ساتھ 30 جون 2020 کے لئے بورڈ آف کارپوریٹ گورننس کی بیرونی کے مطابق یہ مالی دستاویزات چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر کی شدہ رسالت کے ساتھ آؤٹ لیٹنگ کو منظور کر کے لئے منظور ہوئیں اور کمپنی کے بورڈ آف ڈائریکٹران نے منظور کر لیا کمپنی کے حصہ داران کو پیش کرنے کے لئے۔

کارکردگی کا جائزہ

نتیجہ زیر غور سال طے ہر کرتا ہے کہ کمپنی نے صاف منافع رقم 30.197 ملین روپے بوجہ سابقہ ڈائریکٹران کے قرضہ کمپنی کو مختصر کرنے اور بینک کے بچت اکاؤنٹ منافع سے ہوا ہے۔ 30 جون 2020 کیلئے انتظامی اخراجات رقم 7.659 ملین روپے، دیگر اخراجات رقم 2.393 ملین روپے اور مالیاتی اخراجات رقم 1.035 ملین روپے ہے۔ بریکس پچھلے سال میں صاف منافع رقم 101.956 ملین روپے بوجہ فروخت غیر مختصر کرنے کے کمپنی سے ہوا۔ مزکور چھاننے کی کارروائی سال 30 جون 2015 میں ہوئی تھی جو کہ تین سال سے زیادہ عرصہ گزارنے کے بعد ڈائریکٹران کے کمپنی کو قرضہ سے نکالنے کے لئے۔ تاہم اگست 2015 میں مزکور پارہ بند ہوئی تھی بوجہ دھانگے کی ریکورڈ کی معاشی بد حالی، بڑی ہوئی ہیکل کی قیمت، بڑھے ہوئے ہیکلوں کے مان اخراجات اور کمپنی کی سبکی ہوئی کی حالت۔

مندرجہ بالا حالات کی روشنی میں کمپنی کے ممبران نے کمپنی اثاثوں کی فروخت کی منظوری دی کمپنی ایکٹ 2017 کے زیر سیکشن a(3) 183 کے تحت جو کہ واقع ہیں 49- ٹیویسٹرا ہور ملتان روڈ چوئیاں ضلع قصور مشتمل ہیں فری ہولڈرز زمین، بلڈنگ فری ہولڈرز زمین، پلانٹ اور مشینری، بجلی دوسری تنصیبات اور دیگر اثاثے کمپنی اپنے غیر معمولی اجلاس م منعقد ہوا 02 مارچ 2018 واقع رجسٹرڈ کمپنی آفس پر کمپنی نے اثاثوں کی فروخت و خرید کا معاہدہ مسز وقاس انٹرنیشنل کیساتھ مورخہ 26 فروری 2019 میں کیا۔ اثاثوں کی کل قیمت سوائے موز کار مین فریقین معاہدہ فروخت و خرید مورخہ 26 فروری 2019 مبلغ 300,000,000 روپے طے پائی۔ کمپنی نے پوری قیمت طے شدہ معاہدہ وصول کر چکی ہے اور اثاثوں کو معاہدہ کے مطابق خریدار کے حوالے کر دیا ہے۔ اثاثوں کی فروخت سے حاصل شدہ رقم سے کمپنی کی واجب الادا ادائیگیاں کو ادا کر کے کم کیا ہے۔ ہیکلوں کے قرضوں کو معاہدہ اثاثوں سے حاصل شدہ رقم سے ادا کر دیا ہے اور باقی رقم کمپنی کے منافع بخش بینک اکاؤنٹ میں موجود ہے۔ مذکورہ میٹنگ میں حصہ داران نے یہ بھی منظور کیا تھا کہ اثاثے فروخت سے آرائیگیوں سے بچنے والی رقم سے کمپنی تبادل کاروبار کو شروع کرے جو کہ کمپنی کے بورڈ آف ڈائریکٹران نے منظور کر کے حصہ داران کو پیش کیا جس کا عمل درآمد ہوا تھا۔

زیر غور عرصہ کی رپورٹنگ کے بعد کمپنی کے بورڈ آف ڈائریکٹران نے اپنی میٹنگ 12 اگست 2020 میں ایک کائن جینگ ٹیکسٹری آئل ملز واقع ہے لالی کار روڈ پارہ ن آباد ضلع بہاول نگر میں اپرنگ لیز پر حاصل کرنے کی منظوری معاہدہ لیز نعدمان کائن ٹیکسٹری کے ساتھ طے کیا دو سال کی مدت کیلئے جو کہ دونوں فریقین کی باہمی رضامندی سے معاہدہ مدت بڑھ سکتا ہے اور ابتدائی سال کی سالانہ ریزرنٹ رقم 1,600,000 روپے ادا کر دینی ہے (لیسر) کو۔ کائن جینگ ٹیکسٹری کا قبضہ 13 اگست کو کمپنی نے لے لیا ہے۔ پرسکون کاروبار چلانے کیلئے کاروباری سرمائے کا انتظام کاروباری سپلائرز کو گاہکوں کے ساتھ معاملات طے کر لیے ہیں۔ قانونی ذمہ داریوں اور کارپوریٹ و دیگر معاملات بھی کمپنی نے مکمل کر لئے ہیں۔

ٹیکسٹری کی ضروری مرمت و بحالی کے بعد کمپنی نے اپنا نیا کاروباری عمل ستمبر 2020 سے شروع کر دیا ہے۔ دوران ستمبر 2020 میں کمپنی نے رقم 25.125 ملین روپے کی سیل کی ہے۔ کمپنی اپنے کاروباری حضرات سے معاملات سے بریکل ہے۔ جس کی وجہ سے کمپنی کی سیل اور منافع میں اضافہ ہوگا۔ تب جا کر جمع شدہ نقصانات میں خاطر خواہ کمی واقع ہوگی اور مستقبل میں اثاثوں اور ادائیگیوں میں بہتر توازن قائم ہوگا۔ ایسے ہو جانے سے کمپنی اپنی پیداواری صلاحیت بھی بڑھا سکے گی۔ موجودہ سال کے دوران ڈائریکٹران کے قرضوں کی ادائیگی کو کمپنی کی سوابد میں دے کر اس کو کمپنی کی ایکویٹی میں شامل کر دیا ہے TR-32 کے تحت جس سے کمپنی کی ایکویٹی میں مضبوطی ہوئی ہے۔

مندرجہ بالا لئے انتظام سے اور کمپنی کے کاروباری آغاز سے یہ مالی دستاویزات چلتے ہوئے کاروبار کی کھاتہ داری کے تحت بنایا ہے۔ پچھلے سال مالی دستاویزات کو بند شدہ کاروبار کی کھاتہ داری کے تحت بنایا تھا جس میں اثاثوں اور ادائیگیوں کا تخمینہ اُن کی حاصل شدہ اور قانس ادا ہونے کی بنیاد پر کیا تھا۔ مزید یہ کہ اس کھاتہ داری میں تبدیلی سے اثاثوں اور ادائیگی کی حیثیت میں کوئی تبدیلی نہیں ہوئی ہے۔

مستحقین کے امکانات

کمپنی انتظامیہ نے (کورڈ-19) موزی مرض کا کمپنی کی مالی دستاویزات پر اثر محسوس کیا ہے اور نتیجہ نکالا ہے کہ کچھ ایسے پریشانیوں کا سامنا ہو سکتا ہے جو کہ خصوصی طور سے نوٹ نمبر 3 میں ظاہر کیا ہے۔ وجود (کورڈ-19) موزی مرض دنیا بھر میں موجود ہے پھر بھی انتظامیہ نے متواتر اپنی کوششوں سے ستمبر 2020 سے کاروبار شروع کرنے میں کامیاب ہو گئی ہے۔ متبادل کاروباری منصوبہ جو کہ بورڈ نے منظور کر کے ممبران کو پیش کیا کاروبار چلنا شروع ہو چکا ہے۔ ستمبر 2020 کے دوران کمپنی نے سیل سے رقم 25.125 ملین روپے حاصل کر لی ہے۔

اثاثوں کی فروخت اور مل درآمد کاروباری منصوبہ کی صورت میں

ممبران کی مذکورہ بالا منظوری کے بعد کی کارکردگی درج ذیل ہے۔

کمپنی نے اثاثوں کی فروخت و خرید کا معاہدہ مسز روفا سٹریٹجی کیسٹھ مورچہ 26 فروری 2019 میں کیا۔ اثاثوں کی کل قیمت سوائے موٹر کار ماہین فریقین معاہدہ فروخت و خرید مورچہ 26 فروری 2019 مبلغ 300,000,000 روپے سے پائی۔ کمپنی نے پوری قیمت سے شدہ معاہدہ وصول کر چکی ہے اور اثاثوں کو معاہدہ کے مطابق خریدار کے حوالے کر دیا ہے۔ اثاثوں کی فروخت سے حاصل شدہ رقم سے کمپنی کی واجب الادا گھنٹیاں کو ادا کر کے تمکین کیا ہے۔ بینکوں کے قرضوں کو معاہدہ اثاثوں سے حاصل شدہ رقم سے ادا کر دیا ہے اور یہ یا رقم کمپنی کے منافع بخش بٹنٹ اکاؤنٹ میں موجود ہے۔ کمپنی انتہی میہ نے متواتر اپنی کوششوں سے ستمبر 2020 سے کاروبار شروع کرنے میں کامیاب ہو گئی ہے۔ متبادل کاروباری منصوبہ جو کہ بورڈ نے منظور کر کے ممبران کو پیش کیا کاروبار چلنا شروع ہو چکا ہے۔ ستمبر 2020 کے دوران کمپنی سیل سے رقم 25.125 ملین روپے حاصل کر لی ہے۔ برائے مہربانی تفصیل مندرجہ بالا بیان اور نوٹ نمبر 4 میں موجود ہے۔

منافع اخسار و فی حصص

سانی منافع کی بنیاد 30 جون 2020 کے لیے ہے۔ منافع فی حصص 30 جون 2020 1.21 روپے برتقاہ منافع فی حصص 4.08 روپے برائے گزشتہ مالی سال 30 جون 2019۔

اہم اعداد و شمار

کاروباری مالی حالات کا گزشتہ چھ سال کے اعداد و شمار منسلک ہے۔

منافع منقسمہ

موجودہ سال میں منافع کے بڑی وجہ سابقہ ڈائریکٹرز کے قرضے کو ختم کرنا اور بٹنٹ کے بچت اکاؤنٹ منافع سے ہے اس کو مد نظر رکھتے ہوئے اور اکتھ شدہ خسارے کی وجہ سے ڈائریکٹران منافع منقسمہ کی سفارش کرنے سے قاصر ہیں۔

ترتیب حصص داران

ترتیب حصص داران رپورٹ سے منسلک ہے شیٹ (2) 227 کمپنی ایکٹ 2017 ہمارا اضافی معلومات کے ساتھ۔

ماحول بھمت اور تحفظ

کمپنی صحت کے حفاظتی اقدامات کر رہی ہے تاکہ ملازمین اور عوام الناس کی صحت کو خسارت سے محفوظ رہیں۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی کا مضبوط اعتقاد ہے کہ وہ کارپوریٹ احوال میں سماجی ذمہ داری کو پورا کرے جو اس کے کاروبار سے وابستہ یا بلا سہ حلقہ رکھتی ہیں۔

مادی تبدیلی

ایسی کوئی مالی تبدیلی یا وعدہ نہیں ہوا ہے جو کہ کمپنی کی مالی دستاویزات 30 جون 2020 سے 30 اکتوبر 2020 کی پوزیشن کو متاثر کرتی ہے۔

کمپنی کے کاروبار کا ماحولیاتی اثر

آپ کی کمپنی کی کوشش ہے کہ وہ بہترین اصولوں پر چلے۔ جیسے کہ پیر سے پاک، حوالہ دینے کی بچت وغیرہ شامل ہیں۔

مالی خطرے کا انتظام

کمپنی کی کارکردگی سے بہت سامالی خطرہ ظاہر ہوتا ہے۔ مارکیٹ خطرے میں شامل ہر روپے کی قدر قیمتوں اور سود کے ریٹ کا خطرہ ادھار اور نقد کا خطرہ کمپنی کا تمام تر انتظامی پروگرام غیر یقینی مالی مارکیٹ کے خطرات کو کم کرنے پر مرکوز ہے۔ مالی خسرات کو انتظامیہ فنانس ڈیپارٹمنٹ کے تحت بورڈ آف ڈائریکٹرز کی منظور شدہ حکمت عملی پر گامزن ہے۔ فنانس ڈیپارٹمنٹ مالی خطرات کا تجزیہ کر کے سید باب تجویز کرتا ہے۔ بورڈ نے ہر طرح کے خطرات کے لیے اصول بنائے ہیں اور حکمت عملی کی خاص پالیسی جو کہ روپے کی قدر اور دوسری قیمتوں منافع ریٹ ادھار اور نقد کا تعین کرتی ہے

بورڈ اور اس کے اجلاس

ڈائریکٹرز کی کل تعداد 7 ہے جو درج ذیل ہیں

1۔ مرد 7 ب۔ مستورات 0 ڈائریکٹران کو امید ہے کہ بعد از الیکشن آف ڈائریکٹران منعقد ہوگا 15 مئی 2021 میں عورت بھی ڈائریکٹر ہوگی
بورڈ کی ترتیب درج ذیل ہے

1۔ انڈیپنڈنٹ ڈائریکٹر 01 جن کے نام درج ذیل ہیں۔

1۔ وسیم اعجاز

ب۔ دوسرے نان ایگزیکٹو ڈائریکٹر 05 جن کے نام درج ذیل ہیں۔

1۔ آفتاب سرور چیئرمین 2۔ طاہر مجید 3۔ محمد شاہد 4۔ عامر خورشید چانڈیا 5۔ محمد ریاض

پ۔ ایگزیکٹو ڈائریکٹر 01 جن کا نام درج ذیل ہے۔

1۔ محمد وسیم الرحمن (چیف ایگزیکٹو)

چھ (6) اجلاس ہوئے ہیں، 01 جولائی 2019 سے 30 جون 2020 اور درج ذیل ڈائریکٹران کی حاضری

نام ڈائریکٹران	مہدہ	کل حاضری
محمد وسیم الرحمن	چیف ایگزیکٹو آفیسر	6
آفتاب سرور	چیئرمین	6
طاہر مجید	ڈائریکٹر	6
محمد شاہد	ڈائریکٹر	6
محمد ریاض	ڈائریکٹر	6
عامر خورشید چانڈیا	ڈائریکٹر	6
وسیم اعجاز	ڈائریکٹر	6

آڈٹ کمیٹی اجلاس

پانچ (5) اجلاس ہوئے ہیں، 01 جولائی 2019 سے 30 جون 2020 اور درج ذیل ممبران کی حاضری

نام ممبران	مہدہ	کل حاضری
طاہر مجید	نان ایگزیکٹو ڈائریکٹر/چیئرمین	5
آفتاب سرور	نان ایگزیکٹو ڈائریکٹر/ممبر	5
محمد ریاض	نان ایگزیکٹو ڈائریکٹر/ممبر	5

ہیومن ریسورس اینڈ ریلٹیشن (HR & R) کمیٹی

کوئی نہیں اجلاس ہوا ہے، 01 جولائی 2019 سے 30 جون 2020 اور درج ذیل ممبران کی حاضری

نام ممبران	مہدہ	کل حاضری
محمد شاہد	نان ایگزیکٹو ڈائریکٹر/چیئرمین	0
طاہر مجید	نان ایگزیکٹو ڈائریکٹر/ممبر	0
محمد ریاض	نان ایگزیکٹو ڈائریکٹر/ممبر	0

آڈیٹرز

میسرز طارق عبدالغنی مقبول اینڈ کمپنی چارٹرزڈ اکاؤنٹنٹس رینڈرڈ ہوئے ہیں اور ان کے ذریعے آڈٹ کیے گئے ہیں۔ ان کی تقرری کے لیے آڈٹ کمیٹی اور بورڈ نے ان کی تقرری کے لیے سفارش کی ہے۔

ڈائریکٹران کا بیان

ڈائریکٹران بخوشی بیان کرتے ہیں۔

ا۔ کمپنی کے مالیاتی حسابات کی دستاویزات جو کہ اس کی انتظامیہ نے تیار کی ہیں، ان پر مشتمل ہر ایک کی نقدی ہوا، ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتی ہیں۔

ب۔ کمپنی کے حسابات بالکل صحیح اور سہ ماہی کے گئے ہیں۔

ت۔ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لایا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
ث۔ مالیاتی حسابات کی تیاری میں پاکستان میں نافٹو لاقومی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

ج۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس کی موثر طریقے سے عمل درآمد اور نگرانی کی جاتی ہے۔

د۔ کمپنی کے رولوں اور ضوابط کی ظاہری صلاحیت پر کسی قسم کا شک و شبہات نہیں ہے۔

ه۔ سوائے آڈیٹرز رپورٹ امتزاضات برائے اسٹینڈنٹ آف کمپنیاں، مطابق لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کی بنیاد پر کسی بھی اور بنیاد سے انحراف نہیں کیا ہے۔

ح۔ کوئی ایسی قانونی ادائیگی جو کہ ٹیکس، ڈیوٹی، سرکاری واجبات اور سرچارج قابل ادائیگی ہیں 30 جون 2020 تک سوائے جو کہ مالیاتی دستاویزات میں ظاہر کر دیے گئے ہیں۔

بورڈ کی کارکردگی کا سالانہ جائزہ

بورڈ نے اپنی کارکردگی پر غور کیا اور جانچا بطور اہم گڈ گورننس کے اس کی ذمہ داری ڈائریکٹران کی اپنی تجاویزات میں جو انہوں نے بنائی کہ کس طرح کی موجودہ کارکردگی اور ذمہ داری کو ادا کیا ہے۔ اس طرح بالمشکل بورڈ نے تجویز کیا سوال: ہم جو کہ سامنے آیا ہے اس کا کردار کے دوران اور مددگار ثابت ہوگا تمام بورڈ اعلیٰ کمیٹیوں اور ڈائریکٹران کے لئے۔ کمپنی سیکرٹری نے اسکی خلاصہ رپورٹ بحث و مباحثہ کے لئے بورڈ کو جائزہ کے لئے پیش کی جس پر بورڈ نے سالانہ جائزہ لیا۔

ڈائریکٹران ریٹرنیشن

بورڈ ممبران کی ریٹرنیشن بورڈ نے خود منظوری دی ہے تاہم وڈ آف کارپوریٹ گورننس (COG) کے مطابق اس بات کو یقینی بنایا ہے کہ کوئی ڈائریکٹر اپنی ریٹرنیشن کے یقین میں خود حصر نہ لے۔ یہی کسی بھی ناان ایز کیٹیو ڈائریکٹر کو کوئی ریٹرنیشن ادا نہیں کرتی ہے۔ بہترین صلاحیت کو یقینی بنانے کے لئے یقینی ریٹرنیشن پالیسیوں کو انڈسٹری میں موجود رجحان اور کاروباری طور طریقے کے مطابق ہے۔ ڈائریکٹران کی ریٹرنیشن 2019-20 کو جاننے کے لئے مالیاتی دستاویزات میں بطور نوٹ درج ہیں۔

اعتراف

کمپنی کے ڈائریکٹران کمپنی کے ملازموں کی خدمات کا اعتراف کرتے ہوئے یہ بات ریکارڈ پر درج کرتے ہیں کہ یہ ملازمین اپنی صلاحیتوں اور محنت کی لگن کو آئندہ بھی جاری رکھیں گے۔ ہم اپنے ممبروں اور ہماری کمپنی پر اعتماد رکھنے والوں کے شکرگزار ہیں کہ وہ آئندہ بھی ہم پر بھروسہ کریں گے۔

منجانب بورڈ

محمد وسیم الرحمن

(چیف ایگزیکٹو)

(ڈائریکٹر)

ملتان۔ 05 اکتوبر 2020

Six Years at a Glance

Statement of Profit or Loss	2020	2019	2018	2017	2016	2015
Sales	-	-	-	-	42,397	258,033
Cost of Sales	-	-	-	-	(77,437)	(346,762)
Gross Profit(Loss)	-	-	-	-	(35,040)	(88,729)
Administrative General Expenses	(7,659)	(12,101)	(24,694)	(32,556)	(9,167)	(12,290)
Other Expenses	(2,393)	(6,856)	-	(443)	(43)	(69)
Finance Cost	(1035)	(734)	(11,729)	(7,705)	(14,943)	(10,251)
Other Income	41,710	113,309	718	3,493	8,597	43,419
Profit(Loss) before taxation	30,623	93,618	(35,705)	(37,211)	(50,596)	(67,921)
Provision for taxation	426	8,338	925	810	268	1,232
Profit(Loss) after taxation	30,197	101,956	(34,780)	(36,401)	(50,328)	(66,688)
Statement of Financial Position						
Share Capital	250,000	250,000	250,000	250,000	250,000	250,000
Loan from directors	66,586	-	-	-	-	-
Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Accumulated Loss	(306,653)	(336,850)	(586,760)	(554,964)	(523,241)	(477,373)
Share Deposit Money	-	-	-	-	-	-
Surplus on revaluation of Assets	-	-	147,403	149,492	153,211	182,376
Shareholders' Equity	18,933	(77,850)	(180,357)	(146,472)	(111,030)	(35,997)
Non-current Liabilities	3,742	3,232	16,842	59,894	79,790	-
Current Liability and Provision	132,096	231,668	364,622	298,680	263,716	345,454
Total	154,771	157,050	201,107	212,102	232,476	309,458
Fixed Assets – Tangible	-	-	-	206,822	226,835	252,835
Long Term Security Deposits	1,115	115	266	270	270	390
Current Assets	153,656	156,935	5,854	5,280	5,641	56,622
Non-current assets held for Sale	-	-	194,987	-	-	-
Total	154,771	157,050	201,107	212,102	232,476	309,458

Statement of Ethics and Business Practices

The entire organization of Ravi Textile Mills Limited will be guided by the following principles in all activities to achieve the company's objectives:-

Directors:

- Commit themselves to all the necessary and appropriate resources;
- Create a conducive environment through healthy and responsive policies;
- Maintain organizational effectiveness for the achievement of the company goals;
- Encourage and support compliance of legal and industry requirements;
- Protect the interest and assets of the company;

Executives and Managers:

- Ensure the profitability of operations;
- Provide the direction and leadership for the organization;
- Ensure total customer satisfaction through excellent product and service;
- Promote a culture of excellence, conversation, and continual improvement;
- Cultivate work ethics and harmony among colleagues and associates;
- Encourage initiative and self realization in employees through meaningful empowerment;
- Ensure an equitable way of working and reward system;
- Institute commitment of environmental, health and safety performance.

Employees and staff will:

- Devote their time and efforts to productive activities;
- Observe company policies and regulations;
- Promote and protect the interest of the company;
- Exercise prudence in using company resources;
- Observe cost effective practice in daily activities;
- Strive for excellence and quality;
- Avoid making personal gain (other than authorized salary and benefits) at the Company's expenses, participating in or assisting activities which compete with work of any customer or supplier of Ravi Textile Mills Ltd. and to hold any interest in a customer, supplier, agent or competitor.

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of Company: Ravi Textile Mills Limited

Year ended: June 30, 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (7) as per the following:
 - a. Male: 7
 - b. Female: 0
2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Waseem Ejaz
Non-Executive Directors	Mr. Aftab Sarwar, Chairman Mr. Tahir Majeed Mr. Aamir Khurshid Chandia Mr. Muhammad Riaz Mr. Muhammad Shahid
Executive Director	Mr. Muhammad Waseem-ur-Rehman, Chief Executive

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Names of Directors
Mr. Tahir Majeed Mr. Muhammad Waseem-ur-Rehamn

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Tahir Majeed	Chairman
Mr. Muhammad Riaz	Member
Mr. Aftab Sarwar	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Muhammad Tahir Shahid	Chairman
Mr. Tahir Majeed	Member
Mr. Muhammad Riaz	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:
 - a) Audit Committee
Five meetings were held during the financial year ended June 30, 2020.
 - b) HR and Remuneration Committee
No meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2020.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee after next election of directors.	29
2	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officer of the Company performs the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee after next election of directors.	30
3	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

***Statement Of Compliance With Listed Companies
(Code Of Corporate Governance) Regulations, 2019***

20. There is currently one independent director who possess the requisite competencies, skills, knowledge and experience to discharge and execute his duties competently, as per applicable laws and regulations. As per regulation 6 of the Regulations, each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. However, for the purpose of electing independent director, the Board shall be reconstituted not later than expiry of its current term. The election of Board of Directors of the Company is due on 15 May 2021 and compliance shall be made. Further, compliance with regulation 7 of the Regulations regarding one female director shall also be made at that time.

AFTAB SARWAR
Chairman

October 05, 2020
Lahore

Independent Auditors' Modified Review Report of Ravi Textile Mills Limited Review Report on Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ravi Textile Mills Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliances with the requirements of Regulations were observed which are not stated in the Statement of Compliance:

- i. Same person simultaneously holds the position of Company secretary and Chief financial officer which is non-compliance of Regulation 24 of the Regulations.
- ii. Four directors of the Company are required to acquire the prescribed certification under directors training program as at 30 June 2020 as per Regulation 19 of the Regulations. Currently, two directors of the Company have acquired the required certification.
- iii. Composition of the audit committee is not as per the requirements of the Regulation 27(1)(ii) of the Regulations as audit committee does not include an independent director, hence chairman of the audit committee is not an independent director.
- iv. Composition of the human resource and remuneration committee is not as per the requirements of the Regulation 28(2) of the Regulations as human resource and remuneration committee does not include an independent director, hence chairman of the human resource and remuneration committee is not an independent director.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

Further, We highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the statement of Compliance.

Sr. No.	Paragraph reference	Description
(I) 2		There is only one independent director on the board of directors of the company.
(ii) 1		There is no female director on the Board of Directors of the company.
(iii) 14(b)		No meeting of Human Resource and Remuneration Committee was held during the year ended 30 June 2020.
(iv) 19(1)		The board has not constituted a separate nomination committee.
(v) 19(2)		The board has not constituted a risk management committee.
(vi) 19(3)		The company has not posted key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.
(vii) 19(4)		Non-mandatory provisions of the regulations are partially complied.

Dated: October 05, 2020
Lahore


Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

***Independent Auditor's Report
To the members of Ravi Textile Mills Limited
Report on the Audit of the Financial Statements***

Opinion

We have audited the annexed financial statements of Ravi Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note No. 4 of the financial statements, which more fully explains that the Company has recommenced its commercial operations subsequent to the reporting period with effect from September 2020. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report To the members of Ravi Textile Mills Limited Report on the Audit of the Financial Statements

Following is the Key audit matters:	
<p>1) Appointment as new auditors</p> <p>The firm has been appointed as external auditors of Ravi Textile Mills Limited in current year.</p> <p>We identified this matter as a key audit matter because the auditor is required to obtain sufficient appropriate audit evidence about whether:</p> <ul style="list-style-type: none"> • Opening balances contain misstatements that materially affects the current period's financial statements. • Appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements, or changes thereto are appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework. 	<p>How the matter was addressed in our audit</p> <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Read the most recent financial statements and the predecessor auditor's report thereon for information relevant to opening balances, including disclosures. • Ensured that prior period's closing balances have been correctly brought forward to the current period. • Ensured whether the opening balances reflect the application of appropriate accounting policies. • Reviewed the predecessor auditor's working papers to obtain evidence regarding the opening balances. • Evaluated whether audit procedures performed in the current period provide evidence relevant to the opening balances. • Performed specific audit procedures to obtain evidence regarding the opening balances.
<p>2) Related party transactions and disclosures</p> <p>The Company has obtained loan from related parties amounting to Rs. 66,586,220 (2019: Rs. 66,586,220) which comprise 43.02% (2019: 42.40%) of total assets.</p> <p>Due to significance of related party transactions with directors and chief executive, to the overall operations of the Company and the accuracy, completeness of disclosure of such transactions and year end balances, we have considered the same to be the key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We evaluated the management's process of identifying and recording of related party transactions • We agreed the amounts disclosed to underlying documentation and inspected on sample basis, among others, board resolutions, receipts of payments made and amounts received, bank statements as part of our evaluation of existence and accuracy of disclosure. • We obtained direct confirmations from related parties of the balances due included in the financial statements disclosure to ensure existence, accuracy and completeness of disclosure of related party transactions. • We assessed the adequacy and completeness of disclosure of related party transactions / balances in accordance with the requirements of applicable financial reporting standards and statutory requirements.

Independent Auditor's Report To the members of Ravi Textile Mills Limited Report on the Audit of the Financial Statements

Other Matter

The financial statements of Ravi Textile Mills Limited for the year ended 30 June 2019 were audited by another firm of auditors who expressed an unmodified opinion dated 04 October 2019 on those financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

***Independent Auditor's Report
To the members of Ravi Textile Mills Limited
Report on the Audit of the Financial Statements***

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shahid Mehmood.

Dated: October 05, 2020
Lahore


Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Statement of Financial Position As at 30 June 2020

EQUITY AND LIABILITIES	Note	2020 Rupees	2019 Rupees
Share capital and reserves			
Authorized share capital: 30,000,000 (2019: 30,000,000) ordinary of Rs. 10/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up capital	10	250,000,000	250,000,000
Loan from directors	11	66,586,220	-
Revenue reserve	12	9,000,000	9,000,000
Accumulated loss		<u>(306,652,770)</u>	<u>(336,849,780)</u>
		18,933,450	(77,849,780)
Non current liabilities			
Staff retirement benefits	13	3,741,887	3,231,915
Deferred taxation	14	-	-
Current liabilities			
Trade and other payable	15	124,173,926	131,847,804
Accrued mark up	16	850,000	850,000
Loan from ex-chief executive	17	832,223	832,223
Loan from ex-director	18	-	25,200,000
Loan from related parties	19	-	66,586,220
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation	20	5,205,920	5,317,100
		132,096,159	231,667,437
Contingencies and commitments	21	-	-
		<u>154,771,496</u>	<u>157,049,572</u>
ASSETS			
Non current assets			
Property, plant and equipment		-	-
Long term deposits		1,115,000	115,000
		1,115,000	115,000
Current assets			
Trade debts - unsecured but considered good	22	-	-
Advances	23	3,798,811	1,771,827
Trade deposits and short term prepayments		2,870	-
Other receivable	24	827,618	2,319,386
Short term investment	25	949,314	870,749
Cash and bank balances	26	148,077,883	151,972,610
		153,656,496	156,934,572
		<u>154,771,496</u>	<u>157,049,572</u>

The annexed notes from 01 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Profit or Loss for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
Sales		-	-
Cost of Sales		-	-
Gross profit / (loss)		-	-
Operating expenses:			
Administrative expenses	27	7,658,606	12,101,264
Other expenses	28	2,393,132	6,855,685
		10,051,738	18,956,949
Operating loss		(10,051,738)	(18,956,949)
Other income	29	41,710,054	113,309,374
Profit from operations		31,658,316	94,352,425
Finance cost	30	1,035,256	733,827
Profit before taxation		30,623,060	93,618,598
Taxation	31	426,050	(8,337,647)
Profit after tax for the year		30,197,010	101,956,245
Earnings per share - basic and diluted	32	1.21	4.08

The annexed notes from 01 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**Statement of Comprehensive Income
for the year ended 30 June 2020**

	Note	2020 Rupees	2019 Rupees
Profit for the year		30,197,010	101,956,245
Other comprehensive income:			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of defined benefit obligation		-	551,091
Items that may be reclassified to statement of profit or loss:		-	-
Other comprehensive income for the year		-	551,091
Total comprehensive income for the year		30,197,010	102,507,336

The annexed notes from 01 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Changes In Equity for the year ended 30 June 2020

	(Rupees)					Total equity
	Share capital	Loan from directors	Capital reserve	Revenue reserve	Accumulated loss / profit	
			Surplus on revaluation of operating fixed assets - net of tax	General reserve		
Balance as at 30 June 2018 - restated	250,000,000	-	147,402,574	9,000,000	(586,759,690)	(180,357,116)
Transferred from revaluation surplus - net of deferred income tax	-	-	(147,402,574)	-	147,402,574	-
Profit for the year ended 30 June 2019	-	-	-	-	101,956,245	101,956,245
Other comprehensive income for the year	-	-	-	-	551,091	551,091
Total comprehensive income for the year	-	-	-	-	102,507,336	102,507,336
Balance as at 30 June 2019 - restated	250,000,000	-	-	9,000,000	(336,849,780)	(77,849,780)
Profit for the year ended 30 June 2020	-	-	-	-	30,197,010	30,197,010
Loan from directors reclassified during the year	-	66,586,220	-	-	-	66,586,220
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	66,586,220	-	-	30,197,010	96,783,230
Balance as at 30 June 2020	250,000,000	66,586,220	-	9,000,000	(306,652,770)	18,933,450

The annexed notes from 01 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Cash Flows for the year ended 30 June 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2020 Rupees	2019 Rupees
Profit for the year before taxation		30,623,060	93,618,598
Adjustments for following items:			
Loss on sale of stores, spare parts and loose tools		-	1,719,598
Long term security deposit written off		-	151,340
Provision for workers' profit participation fund		1,702,095	4,939,978
Provision for workers' welfare fund		691,037	44,769
Profit on terms deposit receipt		-	(20,749)
Gain on disposal of non-current assets held for sale		-	(106,212,769)
Accrued mark up written back		-	(4,683,147)
Credit balance written back (accrued liabilities)		-	(175,000)
Staff retirement benefits	13.03	509,972	596,051
Loan from ex-director written back	29	(25,200,000)	-
Finance cost	30	1,035,256	733,827
		<u>(21,261,640)</u>	<u>(102,906,102)</u>
Operating profit before working capital changes		9,361,420	(9,287,504)
(Increase) / decrease in current assets:			
Stores, spares and loose tools		-	761,457
Trade deposits and short term prepayments		(2,870)	-
Other receivables		1,491,768	(2,319,386)
Short term investment		(78,565)	(850,000)
		1,410,333	(2,407,929)
Increase / (decrease) in current liabilities:			
Trade and other payables		<u>(11,092,717)</u>	<u>(65,796,700)</u>
Cash generated from operations		(320,964)	(77,492,133)
Finance cost paid		<u>(9,549)</u>	<u>(25,733,281)</u>
Income tax paid		<u>(2,564,214)</u>	<u>(117,369)</u>
		<u>(2,573,763)</u>	<u>(25,850,650)</u>
Net cash used in operating activities		<u>(2,894,727)</u>	<u>(103,342,783)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	301,200,000
Security deposit		<u>(1,000,000)</u>	-
Net cash (used in) / generating from investing activities		<u>(1,000,000)</u>	<u>301,200,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	<u>(47,430,065)</u>
Net cash flows generated from / (used in) financing activities		-	<u>(47,430,065)</u>
Net increase / (decrease) in cash and cash equivalents		(3,894,727)	150,427,152
Cash and cash equivalents at the beginning of the year		151,972,610	1,545,458
Cash and cash equivalents at the end of the year		<u>148,077,883</u>	<u>151,972,610</u>

The annexed notes from 01 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Financial Statements for the year ended 30 June 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

M/s Ravi Textile Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is cotton ginning and pressing; processing of cotton seeds; trading of cotton and yarn.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at Bungalow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt, Multan. The business unit of the Company is located at Lalaka Road, Haroonanbad, District Bahawalnagar.

3 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The management has assessed the impact of the COVID-19 on the financial statements and concluded that there is some implication that require specific disclosures.

A lease agreement with M/s Ali Cotton Industries, Multan was signed during the financial year 2019 for the lease of Cotton ginning factory. The said Cotton ginning factory was to be handed over to M/s Ravi Textile Mills Limited on 31 March 2020 for commencement of cotton ginning operations by the Company. Due to prevailing situations as a result of COVID-19, the ginning factory under reference could not be taken over. In the view of aforesaid reason, M/s Ali Cotton Industries had cancelled the agreement with M/s Ravi Textile Mills Limited. However, the Company has entered into a new lease agreement with another Company as disclosed in note No. 40 of the financial statements.

4 GOING CONCERN ASSUMPTION

During the year 2019 and after the approval of the members of the Company vide their meeting held on 02 March 2018, the assets of the Company comprising of freehold land, buildings on freehold land, plant and machinery, electric fittings and installations, factory tools and equipment, furniture, fixtures and office equipment and other assets were sold out to M/s Waqas Rafique International for a total consideration of Rs. 300 million. The sale and purchased transaction was completed during the year 2019.

Subsequent to the reporting period, the board of directors of the Company in their meeting held on 12 August 2020 approved to obtain a cotton ginning factory and oil mills situated at Lalaka Road, Haroonanbad, District Bahawalnagar on operating lease. The lease agreement with M/s Noman Cotton Factory (the lessor) has been signed for an initial lease term of two years and extendable with mutual agreement by both parties, and annual lease rent of Rs. 1,600,000/- has been paid to the lessor. The cotton ginning factory under reference has been handed over to the Company on 13 August 2020. For the smooth running of operations, working capital has been arranged; business arrangements with vendors and customers have been completed; compliances with legal, corporate and miscellaneous matters have also been made by the company.

After the completion of necessary repair and maintenance, the Company started its new operations from September 2020. During the month of September 2020, the Company earned a revenue Rs. 25.125 million. The Company has also entered into business arrangements with its clients due to which revenue and profitability of the Company will increase significantly. Hence, accumulated losses will reduce in near future and current ratio will further improve. This will also help the Company to improve and enhance its production facilities. During the current year, loan from directors have been reclassified to equity as per TR - 32 under new terms of loan with the directors strengthening the equity.

Keeping in view the above new arrangements and start of operations by the Company, these financial statements have been prepared under going concern basis of accounting. Previous year's financial statements were prepared on non going concern basis of accounting on the basis of estimated realizable value/ settlement values of the assets and liabilities respectively. Further, the change of basis of accounting by the management of the company has no impact on the carrying values of assets and liabilities.

Notes to the Financial Statements for the year ended 30 June 2020

5 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in note No. 4 and 40 of financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

6 BASIS OF PREPARATION

6.01 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

6.02 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

- Standards, amendments to published standards and interpretations effective in current year

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

- IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividend)
- IAS 19 Employee Benefits - Amendments regarding plan amendments, curtailments or settlements
- IAS 23 Borrowing Costs - Amendments resulting from Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalization)
- IAS 28 Investments in Associates and Joint Ventures - Long term Interests in Associates and Joint Ventures (Amendments)
- IFRS 3 Business combinations - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)
- IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
- IFRS 11 Joint arrangements - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)
- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective date (Annual periods beginning on or after)
IAS 1 Presentation of Financial Statements - Definition of material (Amendments)	January 01, 2020
Presentation of Financial Statements - Amendments regarding the classification of liabilities	January 01, 2023
IAS 8 Accounting policies, changes in accounting estimates and errors - (Amendments)	January 01, 2020

Notes to the Financial Statements for the year ended 30 June 2020

IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets Amendments regarding the costs	January 01, 2022
IFRS 1	First-time Adoption of International Financial Reporting Standards (Amendments)	January 01, 2022

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective from January 01, 2022:

Annual Improvements to IFRSs (2018-2020) Cycle:

IFRS 9	The amendment clarifies that an entity includes only fee paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.	January 01, 2022
IFRS 16	The amendment partially amends Illustrative Example 13 accompanying IFRS16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease activities.	January 01, 2022
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	June 01, 2020

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for the Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 17 Insurance contracts	2022

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

7 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

8 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for the certain staff retirement benefits at present value, certain liabilities at amortized cost and certain investment at fair value. In these financials statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted on accrual basis.

Notes to the Financial Statements for the year ended 30 June 2020

9 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

9.01 Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

9.02 Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

9.03 Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

9.04 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

9.05 Tangible fixed assets and depreciation

a) Cost

Fixed assets except freehold land, buildings on freehold land, plant and machinery, factory tools and equipment and capital work in progress are carried at cost less accumulated depreciation and any identified impairment loss. Freehold land is carried at revalued amount being the fair value at the date of revaluation less any identified impairment loss. Buildings on freehold land, plant and machinery and factory tools and equipment are carried at revalued amount being fair value at the date of revaluation less accumulated depreciation and any identified impairment loss. Capital work in progress is stated at cost less any identified impairment loss.

Cost of operating fixed assets signifies historical cost, revalued amount, directly attributable costs of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management and borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's gross carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of tax, in other comprehensive income and accumulated in surplus on revaluation of operating fixed assets in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss.

Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of operating fixed assets to retained earnings.

Notes to the Financial Statements for the year ended 30 June 2020

b) Depreciation

Depreciation is charged to profit or loss on the straight-line method so as to write off the cost of an asset over its estimated useful life at the given rates. The residual value, useful life of an asset and depreciation method are reviewed at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which the assets are deleted.

c) Derecognition

An item of operating fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit or loss in the period the asset is derecognized.

9.06 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

9.07 Impairment of non-financial assets

The carrying amount of assets is reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the higher of fair value less costs to sell and value in use. The resulting impairment loss is taken to the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

9.08 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that asset.

9.09 Inventories

Inventories except for stock in transit and waste stock are stated at lower of cost and net realizable value.

9.10 Stores, spare parts and loose tools

Useable stores and spares are valued at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice values plus other charges paid thereon.

9.11 Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

For raw materials	- at monthly average cost
For work-in-process and finished goods	- at annual average manufacturing cost including a portion of production overheads

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

9.12 Taxation

a) Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Notes to the Financial Statements for the year ended 30 June 2020

b) Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from difference between the carrying amounts of the assets and liabilities in the financial statements and corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

9.13 Revenue from Contracts with Customers

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract

Key areas in accounting policies resulting from application of IFRS 15 are as follows:

a) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

b) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

c) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

Notes to the Financial Statements for the year ended 30 June 2020

e) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

f) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

g) Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

9.14 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

9.15 Staff retirement benefits

The Company has an unfunded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognized in the statement of financial position in respect of defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the statement of profit or loss. Re-measurement of the net defined benefit liability, including actuarial gains and losses are recognized immediately in statement of comprehensive income. Past-service costs are recognized immediately in income.

9.16 Share capital

Ordinary shares are classified as equity.

9.17 IFRS 9 "Financial instruments"

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Notes to the Financial Statements for the year ended 30 June 2020

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair Value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses).

Notes to the Financial Statements for the year ended 30 June 2020

Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Notes to the Financial Statements for the year ended 30 June 2020

Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2020.

9.18 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

9.19 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

9.20 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

9.21 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

9.22 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

9.23 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

9.24 Related party transactions and transfer pricing

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

Related parties

- a) Spintex Enterprises (Private) Limited
- b) Directors and key management personnel

9.25 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

9.26 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
25,000,000 (2019: 25,000,000) ordinary shares of Rs. 10/- each fully paid in cash		<u>250,000,000</u>	<u>250,000,000</u>
10.01 Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.			

10.02 It includes 4,479,993 no. of ordinary shares (2019: 4,479,993) of the Company held by Spintex Enterprises (Private) Limited - associated company.

	Note	2020 Rupees	2019 Rupees
11 LOAN FROM DIRECTORS			
Loan from directors		<u>66,586,220</u>	<u>-</u>

11.01 These are interest free loans from directors of the Company payable at the discretion of the entity. They do not pass the liability test and thus recorded as equity at face value. They will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be direct debit to equity as per TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan.

	Note	2020 Rupees	2019 Rupees
12 REVENUE RESERVE			
Revenue reserve- general reserve		<u>9,000,000</u>	<u>9,000,000</u>

13 STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the defined benefit obligation as at 30 June 2019 was carried out using the projected unit credit method. Details of the obligation as per actuarial valuation are as follows:

		2020 Rupees	2019 Rupees
13.01 The amounts recognized in the statement of financial position are as follows			
Present value of defined benefit obligation	13.02	2,131,797	1,621,825
Gratuity payable to ex-employees		<u>1,610,090</u>	<u>1,610,090</u>
		<u>3,741,887</u>	<u>3,231,915</u>
13.02 Statement of financial position liability			
Opening balance		1,621,825	1,576,865
Amount recognized during the year	13.03	509,972	596,051
Actuarial losses / (gains) from changes in demographic assumptions		-	-
Actuarial losses / (gains) from changes in financial assumptions		-	1,476
Experience adjustments		-	(552,567)
Closing balance		<u>2,131,797</u>	<u>1,621,825</u>
13.03 Charge for the defined benefit plan			
Current service cost		365,166	454,133
Interest cost on defined benefit obligation		144,806	141,918
Charged to statement of profit or loss		<u>509,972</u>	<u>596,051</u>

13.04 Sensitivity analysis for actuarial assumptions

The below sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Principal actuarial assumptions used are as follows:

		Defined benefit obligation	
		Change in assumptions - Bps	Decrease
Discount rate	100	1,593,413	1,654,655
Future salary	100	1,654,655	1,592,942
Expected rate of eligible salary increase in future	% per annum	13.25	13.25
Discount rate	% per annum	14.25	14.25
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year	

Notes to the Financial Statements for the year ended 30 June 2020

Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

13.05 The average duration of the defined benefit obligation is 2 years.

	Note	2020 Rupees	2019 Rupees
14 DEFERRED TAXATION			
Deferred taxation comprises of the following:			
Deferred tax liability on taxable temporary differences		-	-
Deferred tax asset on deductible temporary differences:			
Staff retirement benefits		1,085,147	937,255
Provision for doubtful debts		63,007	63,007
Provision for doubtful debts other receivables		3,285,990	3,285,990
Provision for advances		51,662	51,662
Tax losses		55,875,861	39,888,568
		60,361,667	44,226,482
Deferred tax asset not recognized during the year		(60,361,667)	(44,226,482)
		-	-

14.01 The net deferred tax asset as at the reporting date has not been recognized in these financial statements due to uncertainty of available taxable profits of the company in foreseeable future periods.

	Note	2020 Rupees	2019 Rupees
15 TRADE AND OTHER PAYABLES			
Creditors		51,952,680	63,206,827
Advances from customers		9,685,742	9,765,742
Due to associated company	15.01	39,927,406	39,927,406
Workers' profit participation fund	15.02	9,078,934	6,351,132
Workers' welfare fund		735,806	44,769
Accrued liabilities		11,761,199	11,511,538
Sales tax payable		170,295	170,295
Income tax deducted at source		861,864	870,095
		124,173,926	131,847,804

15.01 This is interest free, unsecured and payable on demand to M/s Spintex Enterprises (Private) Limited. This amount has been used for working capital requirements.

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
15.02 Workers' profit participation fund			
Opening balance		6,351,132	1,214,939
Provision for the year		1,702,095	4,939,978
Mark up on W.P.P.F.		1,025,707	196,215
		<u>9,078,934</u>	<u>6,351,132</u>
Payment during the year		-	-
		<u>9,078,934</u>	<u>6,351,132</u>
15.03 The Company retains workers' profit participation fund for its business operation. Interest is accrued at the prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company.			
16 ACCRUED MARKUP	Note	2020 Rupees	2019 Rupees
Bank Alfalah Limited		<u>850,000</u>	<u>850,000</u>
17 LOAN FROM EX-CHIEF EXECUTIVE	17.01	<u>832,223</u>	<u>832,223</u>
17.01 This represents unsecured and interest free loan from ex-chief executive of the Company. The balance is an old one, un-reconciled, unconfirmed and disputed.			
18 LOAN FROM EX- DIRECTOR	Note	2020 Rupees	2019 Rupees
18.01 This represents unsecured interest free loan obtained from ex-director of the Company which was written back during the year being no more payable.	18.01	<u>-</u>	<u>25,200,000</u>
19 LOAN FROM RELATED PARTIES	Note	2020 Rupees	2019 Rupees
Loan from directors	19.01	<u>-</u>	<u>66,586,220</u>
19.01 These loans have been reclassified under new terms as disclosed in note No. 11 to the financial statements.			
20 PROVISION FOR TAXATION	Note	2020 Rupees	2019 Rupees
Opening balance		5,317,100	13,654,747
Add: taxation - current		426,050	5,317,100
		<u>5,743,150</u>	<u>18,971,847</u>
Less: tax payments / adjustments during the year		<u>537,230</u>	<u>13,654,747</u>
		<u>5,205,920</u>	<u>5,317,100</u>
21 CONTINGENCIES AND COMMITMENTS			
21.01 Contingencies			
A cotton supplier has filed a writ petition in the court of Honorable Civil Judge, Multan for the recovery of Rs. 0.300 million against the Company. The Honorable Court awarded decree in favour of the supplier for the same amount on ex-party basis. The amount was adjusted towards quality claim of raw cotton supplied in the preceding years. The Company filed a petition against the decree in the Court of Honorable District Judge, Multan which is still pending for adjudication. According to legal advisor of the Company, favorable decision is expected. Therefore, no provision has been made in these financial statements regarding this matter.			
21.02 Commitments			
There were no commitments (2019: Nil) as at the year end.			
22 TRADE DEBTS	Note	2020 Rupees	2019 Rupees
Considered good:		-	-
Unsecured		-	-
Considered doubtful:			
Others - unsecured		<u>217,267</u>	<u>217,267</u>
Less: Allowance for expected credit losses		<u>217,267</u>	<u>217,267</u>
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
23 ADVANCES			
Considered good, unsecured:			
Advance income tax		3,798,811	1,771,827
Considered doubtful:			
Advances to suppliers		178,145	178,145
Less: provision for doubtful advances		178,145	178,145
		-	-
		<u>3,798,811</u>	<u>1,771,827</u>
24 OTHER RECEIVABLE			
Considered good, unsecured:			
Receivable against sale of stores, spare parts and loose tools		-	877,500
Accrued profit on saving bank account		827,618	1,441,886
		827,618	2,319,386
Considered doubtful			
Less: allowance for expected credit losses		11,330,999	11,330,999
		(11,330,999)	(11,330,999)
		-	-
		<u>827,618</u>	<u>2,319,386</u>
25 SHORT TERM INVESTMENT			
Term deposit receipt		925,942	850,000
Add: profit accrued during the year		23,372	20,749
		<u>949,314</u>	<u>870,749</u>
25.01 This term deposited receipt issued by banking company has maturity period of one year and carries profit at the rate 10.25% per annum.			
26 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at banks:			
- In current accounts		47,637	55,120
- In saving accounts	26.01	148,030,246	151,917,490
		<u>148,077,883</u>	<u>151,972,610</u>
26.01 These carry profit ranging from 6.75% to 9.50% (2019: 10.35% to 11.50%) per annum approximately.			
27 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		3,651,391	7,424,251
Rent, rates and taxes		738,875	670,947
Postage and telephone		140,163	198,772
Electricity, gas and water		302,994	1,646,472
Printing and stationery		140,313	135,118
Repair and maintenance		54,130	36,785
Travelling and conveyance		258,198	267,325
Legal and professional		353,644	148,904
Auditors' remuneration	27.01	1,005,098	825,212
Fee and subscription		801,074	369,846
Entertainment		104,677	173,717
Miscellaneous		108,049	203,915
		<u>7,658,606</u>	<u>12,101,264</u>

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
27.01 Auditors' remuneration			
Audit fee		700,000	605,000
Review of interim financial information		124,598	107,412
Other certifications		50,000	94,800
Out of pocket expenses		20,000	18,000
Free float CDC share certificate		110,500	-
		<u>1,005,098</u>	<u>825,212</u>
28 OTHER EXPENSES			
Loss on sale of stores, spare parts and loose tools		-	1,719,598
Provision for workers' profit participation fund		1,702,095	4,939,978
Provision for workers' welfare fund		691,037	44,769
Long term security deposited written off		-	151,340
		<u>2,393,132</u>	<u>6,855,685</u>
29 OTHER INCOME			
Income from financial assets			
- Profit on saving bank account		16,423,051	2,217,709
- Profit on term deposit receipt		87,003	20,749
Income from non-financial assets			
- Gain on disposal of non-current assets held for sale		-	106,212,769
- Accrued mark-up written back		-	4,683,147
- Credit balance written back		-	175,000
Loan from ex-director written back		25,200,000	-
		<u>41,710,054</u>	<u>113,309,374</u>
30 FINANCE COST			
Mark-up on long term financing		-	529,350
Interest on workers' profit participation fund		1,025,707	196,215
Bank charges		9,549	8,262
		<u>1,035,256</u>	<u>733,827</u>
31 TAXATION			
- Current year	31.01	5,205,920	5,317,100
- Prior years		(4,779,870)	-
		426,050	5,317,100
Deferred income tax		-	(13,654,747)
		<u>426,050</u>	<u>(8,337,647)</u>
31.01 Provision for current income tax is made under the relevant provisions of the Income Tax Ordinance, 2001. Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented being impracticable.			
32 EARNINGS PER SHARE	Note	2020	2019
Basic Earnings per share:			
Profit after taxation	Rupees	<u>30,197,010</u>	<u>101,956,245</u>
Weighted average number of ordinary shares	Number	<u>25,000,000</u>	<u>25,000,000</u>
Profit per share – basic and diluted	Rupees	<u>1.21</u>	<u>4.08</u>

32.01 There has been no effect of dilution on earnings per share during the year as the Company had no such commitments.

Notes to the Financial Statements for the year ended 30 June 2020

33 PLANT CAPACITY AND ACTUAL PRODUCTION

As disclosed in note No. 4 to the financial statements, the Company had disposed off its plant and machinery during the year 2019. Subsequent to the reporting date, the Company has acquired a ginning factory on lease having installed capacity for ginning of cotton of 200 bales per day (24,000 bales per year based on ginning season of 04 months).

34 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of the transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with the Company	Nature of transaction	2020 Rupees	2019 Rupees
Associated company:			
Spintex Enterprises (Private) Limited	Funds received	-	6,819,980
Spintex Enterprises (Private) Limited	Funds repaid	-	64,025,571
Loan from directors:			
Muhammad Riaz	Directors' loan as per TR-32	31,411,220	31,411,220
Amir Khurshed	Directors' loan as per TR-32	35,175,000	35,175,000

34.1 Following is the related party with whom the Company has entered into transactions or have arrangement / agreements in place:

Name of Associated Company	Basis of relationship
Spintex Enterprises (Private) Limited	17.92% of shares of the Company are held by the associated company

Company is using building of its associated company as its registered office i.e. situated at Bungalow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt. Multan without any consideration.

There were no transactions with directors and key management personnel other than those undertaken as per terms of their employment that have been disclosed in note No. 35 of the financial statements.

35 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, allowances, including all benefits to chief executive of the Company is as follows:

Note	2020 Rupees	2019 Rupees
Managerial remuneration	1,020,000	1,020,000
Allowances:		
Reimbursement - Travelling	183,045	67,590
Utilities	228,377	360,153
	<u>1,431,422</u>	<u>1,447,743</u>
Number of persons	<u>1</u>	<u>1</u>

35.1 No remuneration was paid to non-executive directors of the Company.

35.2 No employee of the Company falls under the definition of executive given in Fourth Schedule of the Companies Act, 2017.

36 NUMBER OF EMPLOYEES

	2020 Number	2019 Number
Average number of employees during the year - factory	-	18
- others	4	4
	<u>4</u>	<u>22</u>
Number of employees at the end of the year - factory	-	13
- others	4	4
	<u>4</u>	<u>17</u>

Notes to the Financial Statements for the year ended 30 June 2020

37 FINANCIAL RISK MANAGEMENT

37.01 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of non derivative financial instruments and investment of excess liquidity.

(a) Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as almost all of its transactions are in local currency and no foreign currency receivables and payables exist at the reporting date.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risks.

Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2020 Rupees	2019 Rupees
Floating rate instruments			
Financial assets			
Bank balance - saving account		148,030,246	151,917,490
Fixed rate instruments			
Short term investment		925,942	850,000

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 1,489,562 (2019: Rs. 1,527,675) higher / lower, mainly as a result of higher / lower interest income on floating rate financial assets. This analysis is prepared assuming the amounts of assets and liabilities outstanding at the reporting dates were outstanding for the whole year.

Fair value analysis for fixed rate instruments

The Company does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

(b) Credit risk

Credit risk represents the risk that one party to the financial instruments will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
Deposits		1,115,000	115,000
Other receivable		827,618	2,319,386
Short term investment		949,314	870,749
Cash and bank balances		148,077,883	151,972,610
		<u>150,969,815</u>	<u>155,277,745</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

Banks	Rating Agency	30-Jun-20 Rating		2020 Rupees	2019 Rupees
		Short term	Long term		
Bank Alfalah Limited	PACRA-VIS	A1+	AA+	5,333	5,333
MCB Bank Limited	PACRA	A1+	AAA	2,205	2,205
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	148,059,978	151,951,111
Habib Bank Limited	JCR-VIS	A1+	AAA	10,416	13,961
				<u>148,077,932</u>	<u>151,972,610</u>
Short term investment Bank Alfalah Limited	PACRA-VIS	A1+	AA+	949,314	870,749
				<u>149,027,246</u>	<u>152,843,359</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

At 30 June 2020, the Company has Rupees 148.077 million (2019: Rupees 151.972 million) bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2020.

30-Jun-20	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
----- Rupees -----						
Non-derivative financial liabilities:						
Loan from directors	-	-	-	-	66,586,220	-
Trade and other payables	113,327,027	113,327,027	113,327,027	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
Loan from ex-chief executive	832,223	832,223	832,223	-	-	-
	<u>116,043,340</u>	<u>116,043,340</u>	<u>116,043,340</u>	<u>-</u>	<u>66,586,220</u>	<u>-</u>

Notes to the Financial Statements for the year ended 30 June 2020

Contractual maturities of financial liabilities as at 30 June 2019.

30-Jun-19	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
----- Rupees -----						
Non-derivative financial liabilities:						
Trade and other payables	124,411,513	124,411,513	124,411,513	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
Loan from related party	66,586,220	66,586,220	66,586,220	-	-	-
Loan from ex-chief executive	832,223	832,223	832,223	-	-	-
Loan from ex-director	25,200,000	25,200,000	25,200,000	-	-	-
	<u>218,914,046</u>	<u>218,914,046</u>	<u>218,914,046</u>	-	-	-

37.02 Financial instruments by categories	Note	2020 Rupees	2019 Rupees
Assets as per the statement of financial position			
Deposits		1,115,000	115,000
Other receivable		827,618	2,319,386
Short term investment		949,314	870,749
Cash and bank balances		<u>148,077,883</u>	<u>151,972,610</u>
		<u>150,969,815</u>	<u>155,277,745</u>
Liabilities as per the statement of financial position			
Loan from related parties		66,586,220	66,586,220
Trade and other payables		113,327,027	124,411,513
Accrued mark-up		850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
Loan from ex-director		-	25,200,000
Loan from ex-chief executive		<u>832,223</u>	<u>832,223</u>
		<u>182,629,560</u>	<u>218,914,046</u>

38 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Financial Statements for the year ended 30 June 2020

39 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

40 NON ADJUSTING EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Subsequent to date of statement of financial position, the Company has executed a lease agreement with M/s Noman Cotton Factory at Haroonanbad, Bahawalnagar on 13 August 2020 for the lease of Cotton ginning and pressing factory. As per agreement, M/s Noman Cotton Factory has handed over the possession of the Cotton ginning and pressing factory from the date of agreement. After the completion of necessary repair and maintenance, the Company has started its operations with effect from September 2020.

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 5 October 2020 by the Board of Directors of the Company.

42 CORRESPONDING FIGURES

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

43 GENERAL

Figures have been rounded off to nearest of Rupee.

Pattern of Shareholding As at 30 June, 2020

No. of Shareholders	From	Shareholding To		Percentage %
162	1	100	11,054	0.04%
274	101	500	110,686	0.44%
87	501	1,000	81,330	0.33%
120	1,001	5,000	324,460	1.30%
39	5,001	10,000	296,651	1.19%
14	10,001	15,000	171,788	0.69%
11	15,001	20,000	205,167	0.82%
5	20,001	25,000	111,000	0.44%
17	25,001	75,000	783,007	3.13%
3	75,001	200,000	433,500	1.73%
2	200,001	500,000	760,500	3.04%
4	500,001	645,000	2,322,597	9.29%
7	645,001	2,250,000	10,974,798	43.90%
2	2,250,001	2,550,000	4,773,462	19.09%
1	2,250,001	3,650,000	3,640,000	14.56%
748			25,000,000	100.00%

<u>Categories of Shareholders</u>	<u>Number of Shareholders</u>	<u>Shares Held</u>	<u>Percentage</u>
INDIVIDUALS	730	18,305,887	73.22%
INVESTMENT COMPANIES	3	7,900	0.03%
INSURANCE COMPANIES	1	200,000	0.80%
JOINT STOCK COMPANIES	9	5,892,818	23.57%
FINANCIAL INSTITUTIONS	2	560,292	2.24%
MODARBAS AND MUTUAL FUND	3	33,103	0.13%
CHARITABLE TRUSTS	-	-	0.00%
TOTAL	748	25,000,000	100.00%

Pattern of Shareholding for the year ended 30 June 2020

<u>Categories of Shareholders</u>	<u>Number of Share holders</u>	<u>Shares Held</u>	<u>Percentage</u>
Directors, CEO & their Spouses and Minor Children	7		
Mr. Muhammad Waseem Ur Rehman Chief Executive		502,500	2.01%
Mr. Aftab Sarwar Chairman		645,000	2.58%
Mr. Aamir Khurshid Chandia Director		2,500	0.01%
Mr. Tahir Majeed Director		2,500	0.01%
Mr. Muhammad Shahid Director		2,500	0.01%
Mr. Muhammad Riaz Director		2,500	0.01%
Mr. Waseem Ejaz Director		2,500	0.01%
Executives	-	-	
Public Sector Companies & Corporations	1		
Investment Corporation of Pakistan		2,800	0.01%
Joint Stock Companies	9	5,857,112	23.43%
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarba & Mutual Funds	8	-	
Banks		34,903	0.14%
Financial Institutions.		560,292	2.24%
Modarba Al-Mali Corporation Limited		300	0.00%
Pakistan Kuwait Inv. Co. (Pvt) Limited		3,000	0.01%
State Life Insurance Corporation of Pakistan		200,000	0.80%
Individuals	723	17,181,593	68.73%
	748	25,000,000	100.00%

Grand Total

Share Holding 5% or more voting rights:

Muhammad Shoaib	3,640,000
Jan Muhammad Imran	2,096,996
Musawar Hussain	2,237,363
Spintex Enterprises (pvt) Limited	2,018,293
Spintex Enterprises (pvt) Limited	2,461,700
Tasbiha Sarfaraz	2,264,500
Mohammad Sarfaraz	1,363,955
Salim Sozer Securities (pvt) Ltd	1,350,262

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Form of Proxy 34th Annual General Meeting

The Company Secretary

RAVI TEXTILE MILLS LIMITED

Bungalow No. 120, Defence Officers Housing Scheme,
Sher Shah Road , Multan Cantt, Multan.

Folio No. _____

No. of Shares held _____

I/We _____
of _____ being a member of
RAVI TEXTILE MILLS LIMITED and a holder of _____ ordinary shares
as per Share Register Folio No. _____

For beneficial owners as per CDC List

CDC Participant I.D. No. _____ Sub-Account No. _____

CNIC No.

						-									-				
--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	---	--	--	--	--

 hereby appoint _____

of _____
another member of the company as per Register Folio No. _____
or (failing him/her) _____ of _____
another member of the company as per Register Folio No. _____

as my/our proxy to attend and vote for me/our behalf at 34th Annual General Meeting of the Company to be held on Wednesday 28th October, 2020 at 09.00 a.m at the Registered Office Bungalow No. 120, Defence Officers Housing Scheme, Sher Shah Road, Multan Cantt, Multan and at any adjournment thereof.

Please affix rupees fifty
revenue stamp

(Signature should agree with
the specimen signature
registered in the Company)

Signature of Shareholder

Dated this _____ day of _____ 2020

Signature of Proxy

For beneficial owners as per CDC list

1. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No.

						-									-				
--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	---	--	--	--	--

2. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No.

						-									-				
--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	---	--	--	--	--

Notes:

- Proxies, in order to be effective, must be duly stamped, signed and witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned and must be received at the Registered Office of the Company at Bungalow No. 120, Defence Officers Housing Scheme, Sher Shah Road Multan Cantt Multan not later than 48 hours before the time for holding the meeting.
- CDC Shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card with the proxy form before submission to the Company (Original CNIC or passport is required to be produced at the time of the meeting).
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

راوی ٹیکسٹائل ملز لمیٹڈ

پرائیویٹ فارم (مختار نامہ)

حصہ دار (ٹیکسٹائل ہولڈنگ)	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	سب اکاؤنٹ (ذاتی حالت) نمبر	سی ڈی سی شرکت آنی ڈی نمبر
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

میں نام
ساکن
بھیت رکن راوی ٹیکسٹائل ملز لمیٹڈ، محکمہ / محلہ
اس کی فیروز پور کی میں

(بھیت کھلی کے رکن) کو اپنے نام پر 28 نومبر 2020 بروز جمعرات 09:00 بجے مقام کھلی کے رجسٹرڈ آفس بلڈنگ نمبر 120، ڈیفنس آفسیس بائیسٹ، شیر شاہ روڈ، ملتان پر منعقد ہونے والے راوی ٹیکسٹائل ملز لمیٹڈ کے 34 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے اور شرکت کرنے پر کسی بھی اور کسی صورت میں اپنے نام پر رجسٹرڈ (پرائیویٹ) شرکت کرتے ہیں۔
آئی ڈی: _____ تاریخ: _____ 2020 کو میرے نام سے رجسٹرڈ ہونے کی تصدیق سے جاری ہو۔

گواہان

50/- روپے کارسیدنی گت یہاں چپاں کریں

دستخط
کھلی کے نمونہ دستخط سے منسلک ہونے چاہئیں۔

1:	دستخط	_____
نام	_____	
پتہ	_____	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	_____	
2:	دستخط	_____
نام	_____	
پتہ	_____	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	_____	

نوٹ:

- 1: اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن پر کسی مقرر کر سکتا ہے۔
- 2: پرائیویٹ فارم (مختار نامہ) (اگر کوئی ہوں) تقریری کے آداب جس کے تحت یہ دستخط شدہ ہو یا اس وقت تک کوئی تصدیق کوئی آگلی کے رجسٹرڈ آفس بلڈنگ نمبر 120، ڈیفنس آفسیس بائیسٹ، شیر شاہ روڈ، ملتان میں اجلاس منعقد ہونے سے کم از کم 48 (اٹھ تیس) گھنٹے قبل جمع کروائے جانے چاہئیں۔
- 3: سی ڈی سی اکاؤنٹ ہولڈر کو پرائیویٹ فارم کے لئے ایکٹو میمبر شپ کے لئے 26 نومبر 2020 کو پرائیویٹ فارم پر 1 ملین روپیہ مندرجہ ذیل گائیڈ لائنز کی ضرورت پڑی ہوگی۔
- (i) بصورت فراوانہ اکاؤنٹ ہولڈر اور یہ سب اکاؤنٹ ہولڈر جن کی نیکورٹیز چھوڑنے میں تصورات قواعد وضع کیا گیا ہے اس میں اپنا حصہ لیا ہوگا۔ انہیں دن بالآخر کو کے مطابق پرائیویٹ فارم (مختار نامہ) جمع کرانا ہوگا۔
- (ii) پرائیویٹ فارم پر ہر گواہان اور فراوانہ کے دستخط ہونے چاہئیں اور ان کے پاس اپنے اور اپنے دیگر قومی شناختی کارڈ نمبر پر پوزیشن ہوں۔
- (iii) تنظیمیں انڈیا، پرائیویٹ فارم کے کمیٹیڈ ذرا قومی شناختی کارڈ نمبر اور سب اکاؤنٹ ہولڈر کے مطابق پرائیویٹ فارم (مختار نامہ) کے ہر ایک کو جمع کرنا ہوگا۔
- (iv) پرائیویٹ فارم کے وقت پرائیویٹ فارم کے قومی شناختی کارڈ نمبر اصل اسپیڈ سے منسلک کرنا ہوگا۔
- (v) بصورت کارپوریشن ہو کر انڈیا اور انڈیا کے دستخط (اگر پہلے انڈیا کے گئے ہوں) پرائیویٹ فارم (مختار نامہ) کے ہر ایک کو جمع کرنا ہوگا۔